

## ***DFAS Accounting Services Industry Day Questions***

### Systems:

**There were many “systems” related questions ranging from requests for details on systems, BMMP impact, etc. There are no software development elements to these BCAs. The functional systems management function discussed in the RFI and briefing slides is limited to the process performed within Accounting Services (e.g., requirements, scheduling, training, adhoc inquiries, etc.). If a competition would result from any portion of these BCAs, the relevant systems in place to support the segment under competition will be delineated.**

1. What are the accounting systems maintained by non-DFAS CDAs?

**Response: Please see the note above on systems.**

2. What are the contractor maintained accounting systems?

- Who are the contractors maintaining them?
- Approximately how many FTEs are involved in this maintenance?

**Response: Please see the note above on systems.**

3. Mr. Krushinski briefed 4 functions omitted from BCA. Mr. Yokel briefed separate BCA for systems. Does this BCA/RFI include or exclude systems management for departmental functions?

**Response: Please see the note above on systems.**

4. The RFI provided manpower, sites, and systems for the BCA. Does the above numbers include or exclude systems workload?

- If excluded, what are the relative numbers and sites for accounting services versus systems?

**Response: Please see the note above on systems.**

5. Mr. Yokel briefed a separate BCA for systems. Can you provide a roadmap and schedule of systems architecture and legacy system replacement?

**Response: Currently, we (Accounting Services) manage all the operational and most of the development dollars. However, recent actions have been started to establish a Certified Acquisition Executive organization to include PEOs and PMs to manage both legacy and migratory systems acquisitions. As this effort**

**matures, we will be better able to answer systems support and maintenance questions.**

6. Does having a separate BCA for TSO indicate that systems will be outside the scope of the procurement resulting from this RFI?

**Response: No. The BCA on TSO is to determine the best way to deliver technology services to DFAS regardless of the systems DFAS will operate. If a competition occurs, systems decisions will be made at that time.**

7. Which sites have converted to the SGL, by system?

**Response: The USSGL is fully operational in some systems and significantly operational in others. Our systems are not site specific and therefore we cannot address USSGL by site in this question.**

8. DFAS/DoD “Accounting Operations” is a primary “domain” area in the evolving BMMP/BEA. Please correlate the timing of this potential out-sourcing initiative to the evolving BEA, as well as on-going COTS efforts such as Navy ERP, DCA BSM, Army Logistics Modernization, etc.

**Response: The BMMP/BEA for DoD is an evolving process. Until the overall architecture is defined, correlation of timing is unknown. However, we know our operation is a critical part of that architecture and will continue to support the BEA and service initiatives.**

9. Accounting Systems – is the development and maintenance of accounting systems considered a part of the accounting business line and if so, is it included within this analysis?

**Response: Please see the note above on systems.**

10. Compliant Systems – is replacing current legacy systems with compliant systems, from both a DoD architectural and Federal accounting requirements standpoint considered a part of the accounting business line and if so, is it included within this analysis?

**Response: Please see the note above on systems.**

11. Legacy Systems – who now owns the legacy systems used in current operations and who would own them in the future?

**Response: DFAS currently owns most of the legacy systems used in current operations. There are some, however, that are either jointly owned by DFAS and the Services or entirely owned by the Services. Future ownership is still yet to be determined, as these decisions will be driven by BMSI. Of note, well over**

**100 non-financial management systems interface with our various legacy systems. Their ownership will also be covered by BMSI.**

12. Multi-functional Systems – many systems serve more than one functional community, i.e. accounting and logistics, who is responsible for current and future multi-functional systems?

**Response: Please see the response to question #11 above.**

Miscellaneous:

1. One chart showed 120M accounting transactions. Another chart showed 1.3B journal entries. How do you distinguish journal entries vs. accounting transactions?

**Response: Accounting transactions equate to an accounting event such as an expenditure or recording an obligation. Journal entries are the debit or credit postings to the general ledger account. Each journal entry header contains one or more journal entry lines. Journal entry lines are the actual journal entries that the general ledger posts to update account balances. This includes journal entry preparation, recording and review functions. Manual journal entries combine debits with equal and opposite credits used to record general ledger transactions, and in this case must be physically input into the system. System-generated or automated journal entries are those that are automatically incorporated into the accounting system. Includes all entries made during the year.**

2. What is the timeline for this BCA and subsequent proposal?

**Response: Service Network BCAs are underway with a completion targeted for March 2004. From the date of Industry Day, we expect the entire review process to be completed in about 180 days. Final results will be posted to the DFAS web site.**

3. How long do you expect it will take to complete this BCA, and what is the mechanism to notify Industry Day participants of the resulting decision?

**Response: See response to #2 above.**

4. Where can we go to find out the results of the other BCAs? (e.g., Vendor Pay, Disbursing, TSO)?

**Response: [www.dfas.mil](http://www.dfas.mil), under Business Opportunities. Results will be posted in the same general location in which the RFI was found.**

5. Will you post all slides on the DFAS web site?

**Response: Due to Section 508 compliancy, and our determination that it is important to retain the flow diagrams in the slides, we will email to all attendees. We will post a notice on the DFAS web site that vendors interested in obtaining a copy of all slides should email our Acquisition point of contact, Ms. Cheryl Marquez at [cheryl.marquez@dfas.mil](mailto:cheryl.marquez@dfas.mil).**

6. Will you publish list of industry attendees?

**Response: The list of industry attendees will also be sent via email. Please email our Acquisition point of contact, Ms. Cheryl Marquez at [cheryl.marquez@dfas.mil](mailto:cheryl.marquez@dfas.mil).**

7. Will DFAS post all briefing charts used during Industry Day to the DFAS web site? When can we expect that to occur?

**Response: Please see the response to #5 above.**

8. Is the Army's on-going effort to procure an accounting system in support of the IMA "supposed" to be a partnership with DFAS?

**Response: There is a partnership between the Army and DFAS to procure an accounting system in support of the IMA. DFAS is currently working with the Army on requirements.**

9. Does DFAS envision the contractor will establish Client Executive representatives to function as a single point of contact for the DFAS Client Executives?

**Response: This will be determined at a later date, if a decision is made to compete.**

10. How are you going to determine DFAS accounting is a viable competitive sourcing candidate?

**Response: Interest and Capability. These two elements are part of the Market Research portion of a BCA. If there is industry interest and capability to perform DFAS accounting, it will be factored into the overall decision process. The attendance and submissions related to this RFI has established that there is industry interest.**

11. Who performs cash reporting for Defense Agencies?

**Response: DFAS Accounting Services, Army.**

12. It was stated that the TSO BCA "decision is forthcoming". Is there an estimated time?

**Response: The TSO BCA decision is still undergoing the stringent coordination process. However, once a decision is made, it will be posted to the DFAS web site at [www.dfas.mil](http://www.dfas.mil). We are hoping this will take no more than 90 additional days.**

13. What is the estimated operational cost for accounting services?

**Response: Over \$700M.**

14. Performance Standards – are current service performance standards in existence and would they be the baseline for future performance expectations?

**Response: Yes we have performance standards. They will be determined at a later date, if a decision is made to compete.**

15. Will you please provide a summary listing of the present “performance standards” used for accounting (the ABL) by DFAS?

**Response: The use of Accounting performance standards will be provided at a later date, if a decision is made to compete.**

16. What role does the services play in the BCA/RFI process?

**Response: The Services are part and parcel to this effort. They are full partners in the overall analysis process, but not the decision making process. We continue to keep senior Service representatives in the loop.**

17. Is Charleston a purple site? If so, who do they support?

**Response: Yes. Charleston supports both the Navy and Defense Agencies.**

18. Please post to the DFAS web site the differences brought up by Mr. Gimpel on the high-level core functions.

**Response: As outlined in question #5, all presentations will be emailed to attendees.**

19. Please post the differences to the DFAS web addressed by Mr. Bonta on the core accounting functions.

**Response: All attendees will receive copies of all Industry Day briefings.**

20. Do you (DFAS) really know what it is you’re looking for?

**Response: Yes. We're conducting an analysis from top to bottom of all DFAS functions to determine if there is interest and capability in private sector to perform all or part of DFAS business. This effort is necessary to ensure that the best service at the best cost is provided to the best customer – our fighting forces.**

21. Client managers described over 40K monthly trial balances. How many (relative percent) of general ledgers and trial balances are from legacy systems?

**Response: It varies by Network as a result of systems used. For Defense Agencies and Army Accounting 99-100%. For Navy Accounting, all general ledgers and trial balances are processed through interim-migratory systems. For Air Force Accounting about 25% is estimated to be generated by legacy systems.**

22. Mr. Yokel and Client Managers briefed general ledger and trial balances and data calls to support departmental reporting. What is the relative workload of reports generated from general ledgers vs. data calls?

**Response: Again, the relative workload varies by network. For Defense Agencies and Army Accounting it's about a 50/50 split. For Navy Accounting, working capital and general fund monthly reporting information is 100% from general ledgers. Annual and quarterly Working capital Fund Audited Financial Statements (AFS) obtains 20% of the data it needs to complete the statements from data calls while General Fund AFS obtains 80% of the dollar value on statements from data calls. For Air Force Accounting the relative workload is split approximately 90% automated and 10% datacalls based on volume.**

23. Briefings did not provide depth and objectives and schedules for BCA. Will you brief objectives and schedules?

**Response: We heard from Industry that we needed to outline the “what” and not the “how”. We have tried to stay at that higher level. Most accounting functions are being studied during Fiscal Year 2004. Marine Corps accounting was reviewed last year with a decision to pursue competition. Other functions to be studied in Fiscal Year 2004 include Corporate Communications and Equal Employment Opportunity.**

24. In deciding whether to pursue one or multiple procurements from this RFI:

- What criteria will be used in deciding?
- When is it expected to issue the RFPs?

**Response: There has been no preliminary decision to issue a RFP. If a decision is made to compete, the type of procurements will be determined at that time. The criteria used in deciding whether to compete is a SWOT (Strength, Weakness, Opportunity, Threat) process with structured reviews by senior**

**teams and individuals. Segments of work identified as inherently governmental are not available for study. All other areas will be subjected to this process.**

25. Is the A-76 the procurement method that will be used?

**Response: Currently this is our only vehicle available.**

26. Will DFAS consider the alignment of accounting services horizontally across networks vice vertically as with Marine Corps Accounting?

**Response: Yes.**

27. Will the delay impacting the Marine Corps Accounting A-76 competition also impact the timing of the Accounting BCAs?

**Response: No.**

28. Marine Corps Accounting – will the outcome of the current plan to compete Marine Corps Accounting play any role in deciding actions for the other four accounting business lines?

**Response: No. We intend to begin work on the A-76 once OSD has completed its actions. Any impact on the other four accounting product lines has to await the completion of the Accounting Services BCA.**

29. Marine Corps Accounting – is there any possibility the Marine Corps accounting business line will be rolled into this one or held up until this one is finished?

**Response: Please see the response to question #28 above.**

30. Does DFAS have an order for completing the Accounting BCAs and announcing its' decisions?

**Response: Yes, we have a specific order. But, until all four BCAs are completed by March 2004 no announcement will be forthcoming.**

31. Are any functions being identified up front as being inherently governmental?

**Response: Yes. During Mr. Krushinski's briefing an example was provided in regards to the DFAS Client Executive function. Other examples are those functions related to policymaking, certifying officials, etc. Many positions may not be inherently governmental per se; but do include inherently governmental functions.**

32. For all BCA's/Transformational studies, has DFAS identified a Competitive Sourcing Official (CSO)? If so, who?

**Response: No. We're waiting on delegation from the DoD CSO.**

33. Geographic Locations – will there be any restriction on what locations future services must be provided, i.e., can you consolidate operations to fewer locations?

**Response: There will be no restrictions in regards to locations future services may be provided from.**

34. Base Closure – what affect will anticipated future base closures have on operating from current or future sites?

**Response: It is obvious that with 26 locations there is the possibility that BRAC 2005 could affect one or more DFAS sites. However, at this time we have no way to assess what that impact may be.**

35. Customer Service – what part will current customers (users or recipients of accounting reports) play in this analysis?

**Response: Customers are either participating in the BCAs and/or are being apprised of progress at both a working and senior level, and will be notified of the to be announced results.**

36. Employee Unions – will current employee unions play a role in this analysis and would a contractor service provider be expected to accept any current employee unions?

**Response: Employee unions most definitely are playing a role in this analysis. Various DFAS employee union personnel are full partners in the BCA process. We do not anticipate that a contractor service provider would have to accept any current unions. The AFGE represents Government employees. Employees would be under a new/different bargaining unit that would come under the jurisdiction of the National Labor Relations Board, rather than the Federal Labor Relations Authority. The NLRB oversees private sector unions and labor issues. The employees of a private sector provider could form a union to represent them or affiliate with a national union to represent them.**

37. Security Clearances – are there any specific security clearance requirements within this business line?

**Response: Yes, we have some subset of our work that requires Security Clearances.**

38. Potential Future Contract – if a decision is made to compete these four business lines what type of contract can be expected, i.e. performance based, cost plus, etc.?



**Response: That decision will be determined at a later date, if a decision is made to compete.**

39. Military personnel – what happens to current military personnel assigned to these functions?

**Response: Military personnel will be returned to the Military Services.**

40. Local Nationals – what happens to current local nation personnel assigned to these functions?

**Response: Local Nationals will be returned to the Military Services.**

41. Current Workforce – it is stated you have approximately 5,428 civilian, military and local nations performing this work. Are there any contractor staff or Government staff from another community also performing this work? If so, how many?

**Response: If the question relates to “in direct support of DFAS” then yes there are contractor staff, but we have no other government staff. If this is meant to cover accounting and financial management for our customer, than the number of contractor staff is greater than we have at DFAS and we know for a fact the Services and Defense Agencies have government staff performing accounting and finance functions.**

42. Three Business Lines – has a business case analysis already been performed for the other two business lines and if so what impact do they have on the accounting business line?

**Response: A BCA has been completed for the Vendor Pay portion of the Commercial Pay Business Line. The BCAs for the Military and Civilian Pay Services Product Lines are scheduled after fiscal year 2004.**

43. Disbursing Function – is the disbursing function considered a part of the accounting business line and if so is it included in this analysis?

**Response: Yes, the Disbursing function is considered a part of the accounting business line. We accomplished a separate BCA for Disbursing that resulted in a decision to create a HPO (High Performance Organization). Any potential impact this decision may have on the overall Accounting Services BCA will be taken into consideration during the final analysis in the March timeframe.**

44. Anti-Deficiency Act Violations – are anti-deficiency act violations considered a part of this business line and if so is it included in this analysis?

**Response: It is DFAS' role to point out potential Anti-Deficiency Act Violations to the holders of the funds. They, in turn do the analysis and subsequent reporting.**

45. DoD Working Capital Fund – are all costs funded under the working capital fund for the accounting business line included in this analysis, if not, what is excluded?

**Response: All costs are included.**

46. Investment Funds – are all costs funded by investment funds for the accounting business line included in this analysis, if not, what is excluded?

**Response: Capital investment funds to develop and/or maintain systems.**

47. Arlington Office – is any work performed by the Arlington office included in this accounting business line?

**Response: Yes.**